



**Ministry of Human Rights
Government of Pakistan**

BUSINESS AND HUMAN RIGHTS IN PAKISTAN

**Peshawar Consultation Report
2nd – 3rd January, 2020**

LIST OF ACRONYMS

ACRONYMS

| | |
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| AEO | Authorised Economic Operator Program |
| BHR | Business and Human Rights |
| DFID | Department for International Development |
| EOBI | Employees' Old-Age Benefits Institution |
| EU | European Union |
| GSP+ | General Scheme of Preferences |
| ILO | International Labour Organization |
| LU | Labour Union |
| MoHR | Ministry of Human Rights |
| MoPHRD | Ministry of Overseas Pakistanis and Human Resource Development |
| NAP | National Action Plan |
| NBA | Needs Based Assessment |
| SCCIP | Sarhad Chamber of Commerce and Industry Peshawar |
| TDAP | Trade Development Authority of Pakistan |
| UNGP | United Nations Guiding Principles |

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BACKGROUND

The Ministry of Human Rights, Government of Pakistan is expected to hold extensive nationwide consultations in Pakistan under the Business and Human Rights (BHR) program for successful first draft of the National Action Plan (NAP) on Business and Human Rights (BHR) in Pakistan. Previous such consultations have been carried out in Lahore, Islamabad, Sialkot and Faisalabad.

As a part of the nationwide consultations under the BHR program, MoHR planned for introductory dialogue based consultations with members of the Sarhad Chamber of Commerce and Industry Peshawar (SCCIP) and members of the Labour unions (LU) on the 2nd and 3rd of January, 2020.

The purpose of the meetings was to introduce the BHR program to business enterprises and labour union stakeholders and obtain an initial situation analysis of the city of Peshawar and its export and local industries which consists of tourism, hydel (micro/small hydel projects, mineral (marble, granite, chromite, copper etc.), gemstones (emerald, topaz, tourmaline etc.), agri-business (tobacco, tea, olive, veggies, fruits, dates, fresh/dry fruits, medicinal plants etc.), livestock (goats, sheep, calf, birds, ostrich, poultry, fishery etc.) etc.

The team on behalf of MoHR consisted of the Joint Secretary, Mr. Malik Kamran Azam Khan Rajar, Director Special Initiatives, Mr. Waheed Ullah, PS to Joint Secretary, Mr. Hammad Ashraf and Special Assistant to J.S, Mr. Muhammad Usman



2ND JANUARY, 2020-CONSULTATION AT SARHAD CHAMBER OF COMMERCE AND INDUSTRY

The introductory dialogue based consultation was attended by members of the SCCIP including the Senior Vice President, Mr. Shahid Hussain, Vice President, Mr. Abdul Jalil Jan, Secretary General, Mr. Sajjad Aziz and Mr. Majeed Qureshi other SCCIP members.



MoHR introduced the BHR program to the members of the SCCI from its initial commencement in 2017 to its present day evolution in the form of a Needs Based Assessment (NBA). Reference was made to the purpose of the consultations for the future first draft of the National Action Plan (NAP) on Business and Human Rights in Pakistan based on the United Nations Guiding Principles on Business and Human Rights.

The dialogue focused on the core component of the methodology leading towards the NAP to involve the relevant business stakeholders in order to discuss not only possibilities for collaboration in the BHR program but also to provide input which would lead towards the formation of the final draft of the NAP.

The SCCI members shared that SCCIP was established in 1958 and the primary objective of this institution is to stimulate the trade, business and industrial activities in the Khyber Pakhtunkhwa and in the surrounding tribal belt. It has 3000 members representing small, medium and large industrial and business concerns. They explained that they are well aware with the concept of human rights in the business sector in terms of internationally recognized standards of compliance.

The President SCCIP expressed that without the compliance of 27 international treaties, agreements and protocols the exports of Pakistan cannot be increased which is a big issue and there is no stability in export. He stressed on the need of a One window or Social Welfare development program for skill development of the business individuals which also includes the awareness session on basic human rights principles and guidelines as that there are no facilities/benefits for exporters. The member of the SCCIP inquired that will there be any affect in terms of increase in cost of doing business through BHR program. They also suggested The Government of Pakistan is required to give incentives



and help small industries in which Ministry of Human Rights can play a positive and important role. To cite an example, it was further shared that the governments of India and Bangladesh have offered subsidies for their exporters to increase their exports to the European Union (EU) with a more simplified procedure for payments which has largely benefitted them. The members of SCCIP proposed that there should be a board or committee which includes members of Chambers of Commerce and Business Association to carry the activities pertaining to the industries and businesses.

SCCIP expressed their appreciation to be included in the consultations for the drafting of the NAP on BHR. However, concern was expressed on the implementation of the NAP keeping in mind that as a developing country, the perceptions in the society on concepts shunned internationally such as child labour may be more difficult to change due to the lack of awareness of people and their respective rights.

The SCCIP was requested to give its input on the possible concept of certifications for business enterprises to be provided free of cost by government agencies such as Trade Development Authority of Pakistan (TDAP) to which they explained that TDAP has limited authority towards scope of work. The SCCIP member proposed explained that they are already in the process of creation of a body or organization namely Business Facilitation Centre (BFC) or Cell which includes 20 Federal Government Departments, 30 Provincial Government Departments and Members from SMEDA, SCCIP which will help businessmen and industries in documentation for facilitation. The BFC will help in ease of doing business which is on the concept of Presence less, Paperless and Cashless. The BFC will include focal persons from different federal and government departments not below the level of Director or BS-19 which includes in the decision making authorities. SCCIP suggested that two main associations namely Industrial Association, Hayatabad and Kohat Road may also be inducted in the upcoming consultation to share their practical existing SOPs pertaining to social compliance for incorporation into the NBA. Moreover, SCCIP requested to review the main takeaway points from the NBA.

Recommendations:

- MoHR should focus on smaller companies because implementation mechanisms will be easier to incorporate as compared to the larger companies.
- MoHR should incorporate a wide ranging list of companies in the consultation process of the NAP on BHR.
- Following a holistic approach, a thorough consultation on how to involve the business stakeholders in the formation of the NAP should be considered.
- SCCIP to be on board in an advisory capacity with MoHR.
- Government, entrepreneurs and workforce tripartite dialogue should be initiated as part of the NAP evolution.
- Pragmatic solutions should be considered when implementing recommendations by international community which is devoid of ground realities in Pakistan.

3RD JANUARY, 2019 – CONSULTATION WITH LABOUR UNION REPRESENTATIVES

The consultation was attended by members of the LUs such as the Pakistan Workers Federation Swabi, Pakistan Workers Federation KPK, Mattahidda Labour Federation, PDA Employees Union, Workers Welfare KPK and Insaf Federation.

The effort of the introduction of the BHR program was lauded by the members of the LUs,



however, they expressed their full support and ownership to this programme. A thorough lengthy discussion was made where almost all the representative of different labour/worker unions took very active part and shared their own practical observations and that shared by other workers. A summary of the discussion/input can be expressed in the following tabulated form:

- Freedom of Association has been given by international conventions, our constitutions and other labour laws, however, the industrial owners always create problems in the formation of labour unions and workers doing efforts for such unions are always exposed to harsh conditions and most of the time fired from service.
- The owners are only interested in their profit and always try to increase the same even at the cost of health and wealth of the workers.
- Proper offer of appointment is very limited to some well know industries.
- Informal economy is increasing day by day and there is a lot of exploitation of workers in informal economies with respect to wages, working hours etc.
- Child labour in formal economies has almost finished, however, it is still available in informal economies due to obvious reasons of poverty.
- The condition of sanitary workers in the waste management companies is not up to mark with respect to working hours, job security and health.
- There is no job security in most of the industries and can be fired any time.
- The record of the workers is deliberately not maintained by the employers, so that the worker may work only on the sweet will of employer and the worker may not be able to get any liabilities in case of odd situations.
- The participations of women in formal economy is very limited and yes participate in informal economies mostly in their home based domestic work.
- There is awareness lacking on the part of workers with respect to their contributions making in the employers economies, their own rights and legal frame works available for resolutions of their experience problems.

- After devolution, the employers refer to those forums/laws (federal and provincial) which are favourable to them and cumbersome to workers with respect to communication and process for the workers.
- The dispute resolution mechanisms under the industrial laws like NIRC are very much time consuming and a worker will have to wait for years. Due to this reason, many workers do not go to judicial forums and leave the demand of their due rights from their employers.
- They also stated that CPEC projects are being initiated in Pakistan however no worker from Pakistan is being employed by Chinese Companies except tools from the Pakistan therefore Labor from Pakistan must be given preference for employment in these projects and there must be revision in rules.
- There is limited capacity of provincial labour department with respect to inspection and implementation of labour laws in the industries. Again, the fine imposed are very low and hence, such small amount of fine cannot compel the employer to abide the labour laws.

Recommendations:

- Strengthening of the relevant labour institutions and a thorough analysis on the current existing legal framework and its implementation pertaining to labour.
- The draft national action plan to be shared and reviewed with provincial labour unions
- A thorough investigation on the role of the Deputy Commissioner in implementation of decrees by the labour court in favour of employees.
- Amendment in the Industrial Relations Act, 2010 by providing protection to employees who join labour unions and are at risk of being ousted by their respective employers.
- Awareness on labour rights as a devolved subject after the 18th amendment in the provinces.
- Proper monitoring of business enterprises and their compliance of domestic and international labour rights standards such as social security benefits and proper employment contracts which are legally enforceable in the labour courts.
- Worker welfare fund should be with the federation.
- NOC for industries may be issued only after undertaking to allow labour unions.
- The fines for non-implementation of labour laws by the industries may be revisited and in addition to financial fines, some other frameworks may be formed which would affect the image and overall transactions of the industry which do not implement the labour laws.

FOLLOW UP

Based on the consultations held in Peshawar, it is advised that the following observations to be carried out on priority basis:

- Inviting the representative of SCCIP, Industrial Associations and labour unions in the upcoming technical consultations on BHR Programme in Peshawar.